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## **News Release**

FOR IMMEDIATE RELEASE  
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### **Officer of wind power company pleads guilty to mail fraud**

The former manager of Shaokatan Power Partners pleaded guilty today in federal court to one count of mail fraud in connection with mailing fraudulently inflated bills to Xcel Energy for wind power during 2003 and 2004, resulting in a loss between \$200,000 and \$400,000.

Gregory Joseph Jaunich, 47, North Oaks, entered his plea July 1 before United States District Court Judge Paul Magnuson in St. Paul. Jaunich was indicted on Sept. 18, 2007.

According to his plea agreement, during 2003 and 2004 Jaunich was the manager of Northern Alternative Energy-Shaokatan Power Partners, a Minnesota company located in Shaokatan Township in Lincoln County. The company had a power purchase agreement to sell wind energy power to Xcel Energy, then called Northern States Power (NSP).

On Sept. 25, 2003, Jaunich received from a Shaokatan employee meter readings for power produced by the company's wind turbines of 13, 800 kilowatt hours and 6,200 kilowatt hours, respectively.

Jaunich instructed employees to bill NSP for 1,843,677 kilowatt hours, which was an estimate. However, Jaunich knew the estimate was not based on actual production. Before November 2004, Jaunich became aware that one of the two Shaokatan turbines was on the ground and not producing power.

During 2003 and 2004, Jaunich knew there was a high probability that the power Shaokatan billed for had not been produced, and Jaunich did not investigate to determine the true numbers. On Nov. 4, 2004, Jaunich caused Shaokatan employees to mail an invoice to NSP billing NSP for 707,871 kilowatt hours. This billing was based on an estimate derived by Jaunich and not on an actual meter reading.

Jaunich faces a potential maximum penalty of 20 years in prison. Judge Magnuson will determine Jaunich's sentence at a future date. This case is the result of an investigation by the Internal Revenue Service-Criminal Investigation Division, the Federal Bureau of Investigation and the Minnesota Commerce Department. It is being prosecuted by Assistant U.S. Attorneys

David M. Genrich and John R. Marti.